

FEDERAL COMMUNICATIONS COMMISSION (FCC)

Statement of Regulatory Priorities

The Federal Communications Commission (FCC) is an independent Federal regulatory agency. Established by the Communications Act of 1934 (47 U.S.C. 151 et seq.), it was created to regulate interstate and foreign communications by radio and wire, in order to make available throughout the United States the provision of rapid, efficient, nationwide and worldwide wire and radio communications at reasonable rates.

The FCC encourages continuing economic growth by paving the way for continuing advances in telecommunications. It does this by:

- Promoting competition in all communications markets, on all five lanes of the information superhighway—broadcast, cable, telephone, wireless, and satellite; and
- Defining and pursuing the public interest in telecommunications, particularly with the goal of delivering advanced communications services to all Americans.

These responsibilities, in an explosively expanding sector of the economy, have significantly increased the Commission's workload. In addition to responding to the rapid growth and attendant public interest in this sector, Congress passed 21 separate pieces of legislation from 1985 to 1994 that significantly added to the Commission's responsibilities.

The FCC is already setting out forward-looking rules of the road that are blueprints for opening up competition. For example, the FCC needs to establish standards for open network access to make sure that dominant providers do not use their technological infrastructures as bottlenecks to deny entry to others. The FCC also needs to assure that dominant telecommunications providers do not use their revenues to cross-subsidize their entry into other service markets. The FCC's rules are encouraging emerging competitors, such as telephone companies competing against cable companies in video distribution and cable companies competing against telephone companies in local telephony. Writing these rules of the road has become a significant portion of the FCC's increasing workload.

Further, the FCC is promoting competition by facilitating the introduction of new services. For example, the FCC has:

- Created rules that foster a competitive market in low-earth-orbit satellite communications services, so that American industry will build the first privately owned global satellite systems that can provide mobile voice and data communications;
- Introduced increased local telephone competition by setting rules for expanded interconnection to competitive access providers; and
- Generated potential competition in multichannel video services through vigorous application of the program access rules, by issuing the ground rules and approving applications for video dialtone systems and by devising new procedures to expedite wireless cable licenses.

One noteworthy example of new solutions is the FCC's auctions of the electromagnetic spectrum. With the support of Congress in the 1993 Budget Act, FCC has begun authorizing new services and promoting competition by auctioning the airwaves. These auctions, which got underway just over a year ago, have to date raised more than \$9 billion for the Treasury. This amount is nearly 50 times the FCC budget request for fiscal year 1997.

As important as revenues are, auctions are also a faster, more efficient, and fairer way to allocate the public airwaves. The auctions permit the market, rather than bureaucrats and lobbyists, to determine who gets valuable wireless licenses. Moreover, the auctions will jump-start the competition for advanced wireless telephone and data services.

The promotion of competition will stimulate tens of billions of dollars in investment and create hundreds of thousands of jobs throughout the country. FCC auctions authorizing personal communications services will provide new competition to the cellular telephone business.

The FCC carries out the public interest in telecommunications as dictated by Federal law and interpreted by FCC rules. The FCC's public-interest responsibilities include, for example: (a) setting aside radio spectrum for public safety agencies and establishing and overseeing the Emergency Broadcast System (now called the Emergency Alert System); (b) ensuring that radio and television broadcasting are based on a network of local outlets that meet local needs; (c) ensuring a place for children's programming on broadcast television; (d) cooperating with the States to ensure that affordable phone service is provided to rural, elderly, and low-income populations; and (e) optimizing

use of the public airwaves, free of interference.

Eliminating and Improving Regulations

The President's March 4, 1995, Regulatory Reinvention Initiative directs Executive Branch agencies to focus on four tasks as part of the Administration's overall regulatory reform initiative. The Commission supports this effort. It is committed to a program of continually reviewing its regulations. FCC has eliminated numerous regulations and streamlined many others. In so doing, it has sought to ensure that those regulations that are kept, and new ones that are adopted, further the development of procompetitive markets and new services, to the benefit of American consumers.

FCC ongoing reviews ensure that its rules are current, accurate, and useful to the public and that they minimize reporting burdens on regulated industries. In addition, the review program ensures the cleanup of any old rules and resolves any conflicts or overlaps with other rules. Regulatory reviews resulting in a decision to revise, eliminate, or otherwise change a current regulation are generally conducted under the notice-and-comment provisions of the Administrative Procedure Act, which provide for appropriate input from the public, regulated entities, and other interested parties.

In addition, earlier this year the then Special Counsel for Reinventing Government completed an extensive review of current FCC regulations. The Counsel's report, "Creating a Federal Communications Commission for the Information Age," recommended over 70 legislative and administrative actions that would streamline FCC processes, reduce the regulatory burden on the public, and promote full competition in the telecommunications industry.

In May 1995, the Commission submitted to Congress a package of 37 recommendations for legislative changes that would streamline or deregulate Commission functions.

Rewarding Results

The Commission is committed to the development and implementation of agency performance measures as required by the Government Performance and Results Act (GPRA), Public Law 103-62. The GPRA requires agencies to:

- Develop, with assistance from the public and stakeholders, a

comprehensive mission statement and strategic plan;

- Establish objective, quantifiable, and measurable goals using quality and effectiveness indicators to measure citizen satisfaction;
- Identify output performance indicators;
- Develop annual performance plans;
- Measure actual performance against long-term goals and annual performance plans; and
- Make performance plans and actual performance results a matter of public record, submit an Annual Program Performance Report to the President and Congress, and make managers more accountable.

Similarly, Executive Order 12862 "Setting Customer Service Standards" requires agencies to:

- Establish a benchmark of "the best in the business" and use this to set long-term goals;
- Survey customers to determine the kind and quality of services desired;
- Survey customers to determine the desired level of performance;
- Measure results against expected performance and against "the best in the business"; and
- Post customer service standards for public inspection.

The FCC enlisted the services of a contractor to conduct workshops with our Customer Service Standards Task Force and our Quality Council to identify primary FCC customer groups and to develop standards that address customer concerns. These workshops produced customer service standards for our Bureaus and Offices that will:

- Identify the customers who are, or should be, served by the agency;
- Provide customers with choices in the sources of service and the means of delivery;
- Set service standards that address the needs of our customers;
- Assist our Bureaus and Offices in refining these service standards and publish brochures for our customers describing these standards; and
- Monitor customer service over time.

These standards will be utilized as performance measures and linked to performance plans developed for the GPRA. By using quality and effectiveness indicators to measure the public's satisfaction with our services, we intend to establish a benchmark of "the best in the business" for customer satisfaction.

The FCC is also voluntarily participating in the GPRA Program Performance Pilot Project to gain valuable insight into the performance

measurement process, and hopefully assist the Administration in setting appropriate general guidelines for agency implementations of the GPRA. As a pilot agency, the FCC has developed and submitted to the Office of Management and Budget (OMB) its fiscal year 1994, 1995, and 1996 Program Performance Plans covering the Land Mobile Radio application processing function of the Wireless Telecommunications Bureau and the Equipment Authorization program of the Office of Engineering and Technology. Most recently, the FCC has completed and submitted its FY 1994 Program Performance Report which details how well it succeeded in meeting established targets.

Personnel Performance

The FCC has evaluated its internal personnel performance measures to determine if it needs to eliminate those based on process or punishment. Based on this review, no FCC positions appear to have performance standards of the type identified as "process-and-punishment"-oriented.

The FCC has established a Performance Management Task Force, consisting of supervisors, managers, human resources staff, and union representatives. This task force developed a survey to obtain employee views on improving the current performance appraisal system. The task force is coordinating its efforts with the Office of Personnel Management.

Creating Grassroots Partnerships

Historically, the FCC has sought feedback on proposed changes to its rules and regulations under the notice and comment provisions of the Administrative Procedures Act. It has also sought customer participation in the development of critical technological standards having an impact on America's competitive position in the international telecommunications market. A recent and ongoing example of this effort is the Advisory Committee on Advanced Television Service. Other advisory committees are created to assist the agency in developing reasonable, equitable, and enforceable regulations. A recent example of this type of advisory committee is the Public Safety Wireless Committee, formed in partnership with the Department of Commerce's National Telecommunications Information Administration.

The FCC has always sought the input of industry and government experts at

the grassroots level, for example, through attending various industry conventions and meetings. In the past 18 months, the FCC has increased its efforts to foster grassroots partnerships to a level never undertaken in the past. Examples of efforts at outreach programs include the following, which represent only a small portion of the more than 400 other meetings with industry representatives and the public that the FCC Commissioners and senior staff plan to attend this year:

- Senior FCC management officials held several meetings during April and May of this year with radio, television, and cable broadcasters and representatives of the common carrier and land mobile industries to discuss subjects of current concern to them. These meetings were held in Washington, DC; Las Vegas, Nevada; Denver, Colorado; and Dallas, Texas.
- FCC's Common Carrier Bureau has held several meetings with regulatees to elicit information on how to improve internal regulatory processes. A majority of the recommendations resulting from these meetings focused on improving the timeliness and dissemination of agency decisions and documents by making them available to our customers in electronic format. The agency currently has several projects to provide access to FCC records via the Internet and electronic bulletin boards, and it is incorporating the public's suggestions into these initiatives.
- Commission staff also participated in numerous panels on current and future issues in wireless communications. Industry concerns with auctions and spectrum availability were among the topics of general discussion at the panels. The FCC is currently reviewing the recommendations received at these panel discussions and fora.

Negotiated Rulemakings

To support the Administration's efforts to promote consensual rulemakings, the Commission has identified 20 upcoming conventional rulemakings which we believe should be considered for conversion to negotiated rulemakings. The identified rulemakings comprise subjects from all areas of regulation within the FCC.

Certain prospective rulemakings, such as Cable Home Wiring and Spectrum Needs for Public Safety, represent areas of interest to the general public. Other rulemakings are in areas of FCC rules which are of interest to consumers of particular services and the regulated

industries involved. Among these latter rulemakings are the Part 24 Personal Communications Services Rewrite, and Regulatory Symmetry for Cellular and Broadband Personal Communications Services.

The FCC also has used a more informal approach to consensual rulemaking in completing work on

numerous rulemaking proceedings. An example is its proposed FY 1995 Regulatory Fee Schedule. The Omnibus Budget Reconciliation Act of 1993 (P.L. 103-66) requires the agency to collect annual regulatory fees. To ensure that the fee program was fair and equitable for all payees, the FCC employed a contractor to conduct "Focus Group" discussions with several of the licensees

and others to determine whether there were alternative fee development methodologies to those proposed in the Commission's Notice of Proposed Rulemaking. The comments, concerns, and suggestions obtained from these focus group discussions were incorporated into the Commission's final Report and Order.

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